App. Serial No.: 09/617,361
Atty. Docket No.: 0013-011

REMARKS

These remarks are in response to the Office Action dated July 6, 2007, which has a shortened statutory period for response set to expire October 6, 2007. A two-month extension, to expire December 6, 2007, is requested in a petition filed herewith.

Claims

Claims 60-113 are pending in the above-identified application. Claims 60-113 are rejected over prior art. Claims 1-59 are canceled. Claims 60, 75, 76, 78, 80-82, 84, 86-89, 111, and 112 are amended, and Claims 114-118 are added. Claims 61-74, 77, 79, 83, 85, 90-110, and 113 remain as previously presented. Reconsideration is requested.

Rejections Under 35 U.S.C. § 112

Claims 67, 82, 105, and 107 are rejected under 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement. The Examiner writes:

> Upon further review of the specification, support for notification to the account holder being disabled was not found.

Applicant respectfully traverses.

This rejection was raised in the Office Action mailed November 16, 2005, and was addressed in Applicant's Response filed April 17, 2006. The rejection was withdrawn in subsequent office actions (e.g., Office Action mailed 8/30/06), but is now raised again. The arguments set forth in Applicant's Response of April 17, 2006 are repeated herein.

Applicant's specification at page 17, lines 6-12 recites:

> Single bit initiate verification flag 516 indicates whether card-holder 102 wishes server 200 to initiate the verification process, or if server 200 should wait for user 102 to initiate the verification process. If initiate verification flag 516 has a value of 1, interactive verification module 306 initiates the verification process with the associated card-holder (e.g., **e-mail, automated telephone call**, etc.). If initiate verification flag 516 has a value of 0, the associated card-holder must initiate verification (e.g., place telephone call to server 200, log onto server 200 via internetwork 110, etc.). (emphasis added)

Therefore, according to the above passage, interactive verification module 306 sends notification to the card-holder in the form of an e-mail and/or an automated telephone call if

initiate verification flag 516 is set to a value of 1. Further, note that according to the methods disclosed in Applicant's specification (e.g., Figs. 7-9) notification is provided <u>as part of the verification process</u>. Thus, if initiate verification flag 516 is set to a value of 0, the card-holder must initiate the verification process and, <u>because notification is a part of the verification process</u>, the card-holder does not receive any prior notification from interactive verification module 306. Thus, Applicant's original specification clearly indicates that notification to the account-holder is disabled when initiate verification flag 516 is set to a value of 0.

In the Advisory action mailed July 29, 2004 the Examiner writes:

> With respect to the 112, 1st paragraph rejection, the cited pages specified by the Applicant discloses the card holder initiating verification of an account **but doesn't disclose the system notifying the card holder that his or her account have been disabled.** (emphasis added)

However, the issue is not whether notification is sent to the card-holder to indicate that his/her account has been disabled, but rather whether or not the card-holder is notified of a transaction approval request being received by the system. According to Applicant's disclosure as cited above, notification to the card-holder is disabled if initiate verification flag 516 is set to 0.

For at least the foregoing reasons, Applicant respectfully asserts that Claims 8, 24, 49, and 51 clearly comply with 35 U.S.C. § 112, first paragraph. However, if the Examiner believes that this issue is one of specific wording, the Examiner is invited to suggest acceptable language.

For at least the foregoing reasons, Applicant avers that Claims 67, 82, 105, and 107 comply with 35 U.S.C. § 112, first paragraph, and respectfully requests withdrawal of the rejections of those claims.

Claim 67 is rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The Examiner writes:

> The language "operative to wait for said account-holder to initiate said connection with said account-holder" is confusing. This claim was examined similar to claim 82 which includes waiting for the account-holder to initiate communication with the computer system.

Applicant respectfully traverses, because the language of Claim 67 is absolutely clear.

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Applicant notes that the current version of Claim 67 does not include the language objected to by the Examiner. Rather, Claim 67 recites in relevant part: "operative to wait for said account-holder to initiate said separate connection." Claim 60, from which Claim 67 directly depends, recites: "an account-holder communications module operative to facilitate a separate connection with an account holder." Claim 67 clearly indicates that the system waits for the account-holder to initiate the previously recited "separate connection." There is no ambiguity or unclarity in Claim 67.

For the above reasons Applicants request reconsideration and withdrawal of the rejections under 35 U.S.C. § 112.

Rejections Under 35 U.S.C. § 102

Claims 60-65, 72, 74-80, 87, 89-95, 102, and 104-113 are rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,708,422 (Blonder).

Claims 60-104:

An important aspect of Applicant's invention is that the account-holder can selectively turn the verification feature on and off. Claim 60 previously recited: "pursuant to a selectively enabled verification function" and "pursuant to a selectively disabled verification function." Claim 75 previously recited: "receiving instructions from said account-holder to selectively enable or disable said step of electronically verifying said transaction approval request." This aspect of Applicant's invention provides an important advantage over the prior art, because it allows a user to temporarily disable the verification function when verification is inconvenient or impractical, make a transaction that would otherwise require verification, and then re-enable the verification function to prevent unauthorized charges to the account.

The Examiner writes (in part):

> Blonder teaches ... transmitting an approval to the
> merchant pursuant to a selectively enabled verification function
> (col. 3, lines 1-5, col. 10, lines 35-37).
> ...
> Blonder also teaches ... the authorization module is
> responsive to instructions from the account holder to automatically
> verify subsequent transaction approval requests without further

input from the account holder and instructions for enabling or
disabling the electronic verification (col. 5, line 30-45, col. 7, lines
1-10, col. 14, lines 35-67," ...

None of the passages cited by the Examiner disclose turning the verification function off
and on. Blonder discloses predefined parameters used to determine whether alert and/or
approval are required for an account and, if so, trigger conditions that if met for particular
transactions require card owner alert and/or authorization. Blonder further discloses that "[t]hese
pre-established conditions may be pre-selected by the card owner or they may be conditions
imposed by the card issuer" (Col. 6, Lines 8-10), but there is no indication that these conditions
can be changed by the card owner once they are established. Blonder does not disclose that the
card owner can selectively switch the verification function between on and off states.

In consideration of the Examiner's rejections and after careful review of Blonder,
Applicant has amended independent Claims 60 and 75 to clarify the distinction over Blonder. In
particular, Claim 60 now recites (in part): "a verification indicator switchable by said account
holder between at least a first and a second state, said first state enabling a previously established
verification requirement and said second state disabling said previously established verification
requirement." Claim 75 now recites (in part): "receiving instructions from an account-holder
associated with said credit card data to selectively disable a previously enabled verification
function" and "receiving instructions from said account-holder to selectively enable said
verification function."

As amended herein, independent Claims 60 and 75 clearly distinguish over the prior art
of record. Claims 61-74, 111, and 114 depend, either directly or indirectly, from Claim 60 and
are, therefore, distinguished over the cited reference for at least the same reasons as Claim 60.
Claims 76-104, 112-13, and 115-116 depend, either directly or indirectly, from Claim 75 and are,
therefore, distinguished over the cited reference for at least the same reasons as Claim 75.

Claim 105:

Claim 105 recites (in part): "an interactive verification module operative to wait for said
account-holder to initiate said connection with said account-holder communication module, any
prior notification to said account-holder regarding said transaction being disabled." Blonder
does not disclose this element of Claim 105. Therefore, Blonder does not anticipate Claim 105.

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Claim 106:

Claim 106 recites (in part): "a financier communications module operative to facilitate a connection with a financier for receiving a verification request related to said commercial transaction." Blonder does not disclose this element of Claim 106.

Claims 107 and 108:

Claim 107 recites (in part): "said electronic verification including disabling any notification to said account-holder and waiting for said account-holder to initiate communication with said computer system." Blonder does not disclose this element of Claim 107.

Claim 107 also recites (in part): "enabling the account-holder to disable the step of electronically verifying." Blonder does not disclose this element of Claim 107.

Claim 108 depends from Claim 107 and is, therefore, distinguished form the cited reference for at least the same reasons as Claim 107.

Claims 109 and 110:

Claim 109 recites (in part): "receiving a verification request associated with said commercial transaction from a financial institution that approves transactions between account-holders and merchants." Blonder does not disclose this element of Claim 109.

Claim 109 also recites (in part): "enabling the user to enable and disable the electronically verifying step." Blonder does not disclose this element of Claim 109.

Claim 109 also recites (in part): "transmitting indicia of verification to said financial institution." Blonder does not disclose this element of Claim 109.

Claim 110 depends from Claim 109 and is, therefore, distinguished from Blonder for at least the same reasons as Claim 109.

For the above reasons Applicant respectfully asserts that Blonder does not disclose each and every element of any of Claims 60-116. Therefore, withdrawal of the rejections under 35 U.S.C. § 102 is requested.

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Rejections Under 35 U.S.C. § 103

Claims 66 and 81 are rejected under 35 U.S.C. § 103 as being unpatentable over Blonder. Claims 67-71, 73, 82-86, 88, 96-101 and 103 are rejected under 35 U.S.C. §103(a) as being unpatentable over Blonder in view of U.S. Patent No. 6,529,725 (Joao).

The amendments to the independent claims made herein overcome the rejections under 35 U.S.C. §103. In particular, for at least the reasons set forth above, Blonder does not disclose each and every element of independent Claim 60 or independent Claim 75, the base claims of the rejected claims. Further, the elements that Blonder fails to disclose are different than the elements that the Examiner relies on Joao to disclose, and Joao does not cure the failure of Blonder to disclose these elements Therefore, no prima facie case of obviousness is established with respect to any of Claims 66-71, 73, 81-86, 88, 96-101, or 103.

For the above reasons Applicants request reconsideration and withdrawal of the rejections under 35 U.S.C. § 103.

New Claims 114-118:

Support for new Claims 114-118 is provided in Applicant's original specification at least at Page 6, Lines 10-12; Page 16, Line 10 –Page 17, Line 6; Fig. 8; and Page 25, Line 22 – Page 26, Line 16. No new matter is added.

Claim 114 depends from Claim 60 and is, therefore, allowable over the cited prior art for at least the same reasons as Claim 60.

Claims 115 and 116 depend, either directly or indirectly, from Claim 75 and are, therefore, allowable over the cited prior art for at least the same reasons as Claim 75.

Claim 117 recites (in part): "to facilitate the switching of a verification indicator between at least a first state and a second state" and "said authorization module being further operative to forego verification by said account holder when said verification indicator is in said second state." The prior art of record does not disclose these elements of Claim 117.

Claim 118 recites (in part): "to facilitate the switching of a verification indicator between at least a first state and a second state, wherein said first state enables a previously established verification requirement and switching said verification indicator to said second state disables said previously established verification requirement." The prior art of record does not disclose this limitation of Claim 118.

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Conclusion:

For the foregoing reasons, Applicant believes Claims 60-118 are in condition for allowance. Should the Examiner undertake any action other than allowance of Claims 60-118, or if the Examiner has any questions or suggestions for expediting the prosecution of this application, the Examiner is requested to contact Applicant's attorney at (269) 279-8820.

Respectfully submitted,

Date: 12/6/07

Larry E. Henneman, Jr., Reg. No. 41,063
Attorney for Applicant(s)
Henneman & Associates, PLC
714 W. Michigan Ave.
Three Rivers, MI 49093

CERTIFICATE OF FACSIMILE TRANSMISSION (37 CFR 1.8(a))
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Larry E. Henneman, Jr.

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